

## OPEN MEETING AGENDA ITEM



April 11, 2022

Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007

Dear Chairwoman Márquez Peterson and Members of the Arizona Corporation Commission,

**RE: Comments of Vote Solar and SWEEP on the Application of Tucson Electric Power for Authorization for Annual Purchased Power and Fuel Adjustment Clause Rate Adjustment, Docket No. E-01933A-19-0028**

Vote Solar<sup>1</sup> and the Southwest Energy Efficiency Project (SWEEP)<sup>2</sup> appreciate the opportunity to provide these comments on Tucson Electric Power Company's (TEP) request to recover an additional \$108 million from customers through its Purchased Power and Fuel Adjustment Clause (PPFAC), including \$18 million in deferred costs and \$90 million in new costs resulting in large part from higher than anticipated wholesale power and natural gas costs.

The increased cost of natural gas, forecasted to continue through 2022,<sup>3</sup> is an important reminder that the Commission should consider all tools at its disposal to mitigate this significant proposed increase to customer utility bills. After all, TEP's request equates to an ~\$12.68<sup>4</sup> rate increase per month for the average residential customer.

Notably, greater investment in reliable, affordable energy efficiency and renewable energy are key solutions to insulate customers from this price shock and volatility. During times of upward utility bill pressure, TEP's energy efficiency offerings are especially vital because they can help residents and businesses control their energy costs, drive down energy bills, and redirect savings to the local economy.

---

<sup>1</sup> Vote Solar is a non-profit policy advocacy organization with the mission of making solar more accessible and affordable across the United States. Vote Solar has over 6,000 members across Arizona.

<sup>2</sup> The Southwest Energy Efficiency Project (SWEEP) is a public-interest organization promoting greater energy efficiency and clean transportation in Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming.

<sup>3</sup> Docket No. E-01933A-19-0028, TEP's Response to Freeport Minerals Corporation Comments Request for Approval of Tucson Electric Power Company's PPFAC Rate Adjustment, March 3 2022. P 3. Chart 1.

<sup>4</sup> See "Table 1 Average 2022 Estimated Residential Monthly Bill Impact," <https://docket.images.azcc.gov/E000017718.pdf?i=1649716159827>

Energy efficiency is well documented to cost less<sup>5</sup> and deliver additional energy savings far below the rising price of gas. Accordingly, we recommend that the proposed \$108 million increase be mitigated through the increased deployment of energy efficiency offerings that will cost ratepayers less and protect them from future volatility in the cost of their utility bills.

**Therefore we recommend that the Commission:**

- 1. Direct TEP within 60 days to file a Supplement to its pending 2022 Energy Efficiency Implementation Plan in Docket No. E-01933A-21-0182, proposing how it will increase investment and/or repurpose ~\$2.5 million of approved but unspent funds to expand demand side management (DSM) programs and offerings to enable more customers to save energy and mitigate the high price of gas, including any program and measure modifications it may need to expedite the investment of these funds.**
- 2. Take action no later than June 30, 2022, to approve TEP's pending 2022 Energy Efficiency Implementation Plan inclusive of the aforementioned Plan Supplement.**

We appreciate your consideration of these comments, and your ongoing efforts to protect Arizona ratepayers.

Sincerely,

**Kate Bowman**

Interior West Regulatory Director  
Vote Solar  
[kbowman@votesolar.org](mailto:kbowman@votesolar.org)

**Ellen Zuckerman**

Utility Program Co-Director  
SWEEP  
[ezuckerman@swenergy.org](mailto:ezuckerman@swenergy.org)

---

<sup>5</sup> According to the American Council for an Energy Efficiency Economy (ACEEE) the average levelized cost per saved kilowatt-hour is 2.4 cents, putting efficiency on par with the cheapest sources of clean energy available on the grid today. See ACEEE, The Cost of Saving Electricity for the Largest U.S. Utilities: Ratepayer-Funded Efficiency Programs in 2018, June 23, 2021, <https://www.aceee.org/topic-brief/2021/06/cost-saving-electricity-largest-us-utilities-ratepayer-funded-efficiency>